

Insurance Resources for Farmers

Agriculture and Natural Resources Fact Sheet #537

Risk has always been a part of farming but now farming involves new rules, new stakes, and most of all new risks. Risk management means identifying and analyzing events that can cause loss and choosing the best way to deal with each potential for loss. The USDA

Risk Management Agency suggests farmers address five main types of risk:

"The nation's most successful farmers are now looking at a deliberate and knowledgeable approach to risk management as a vital part of their game plan. For them, risk management means farming with confidence in a rapidly changing world. It is the ability to deal with risks that comes with new, attractive farming opportunities".

—USDA Risk Management Agency

Production Risk: the risk that production yields will be lower than desired due to weather or some other unpredictable event.
Marketing Risk: the risk that prices received for production will be lower than desired due to volatile market conditions.
Financial Risk: the risk that returns from production will not be great enough to support a farm or ranch over time.
Legal Risk: the risk that legal issues, such as interpretations of contract provisions and environmental obligations, will threaten the cash income of farm or ranch operation.
Human Resource Risk: the risk that events affecting people who work on the farm— such as death, illness, or poor personnel management—will seriously disrupt an agricultural operation.

Insurance is as important to direct marketing and farming as good equipment. Operating without insurance means gambling with everything you own. Some basic types of insurance to consider are product liability, premises liability, employer's liability, physical damage, and health insurance. Unfortunately, answers to insurance and liability questions are not always clear. Understanding as much as possible and staying informed are the best defenses against the confusing world of insurance.

Although insurance is an essential tool for addressing risk, risk can also be addressed by more informal means such as introducing diversity to your operations and products, developing multiple sources of income, or having a working spouse with medical insurance to cover the whole family. Whatever you include in your plan, here are a few resources to help you navigate the world of risk management.

Business and Liability Insurance

Agri-Services Agency (ASA)

(800) 654-8840; web: <http://www.dairylea.com/agri-services/agri-services.htm>. Coverage offered by ASA includes medical, dental, workers' compensation, disability, life and long-term care insurance for farmers, their families and their employees.

Country Companies Insurance Group

<http://www.countrycompanies.com/>

3150 Richards Rd, Ste 106, Bellevue, WA 98005;
(425) 747-0478.

909 SE Everett Mall Way, Ste B250, Everett, WA 98208;
(425) 290-7871.

2604 Yelm Hwy SE, Ste D, Olympia, WA 98501;
(360) 357-4060.

108 Union, Ste A, Snohomish, WA 98290;
(360) 568-0781.

Grange Insurance Group

200 Cedar St, Seattle, WA 98121, (206) 448-4911, (800) 247-2643; email: customer.service@grange.com; web: <http://www.grange.com>.

Mutual of Enumclaw Insurance Co.

1460 Wells Street, Enumclaw, WA 98022 800-366-5551;
email: jwillis@MutualofEnumclaw.com; web: <http://mutualofenumclaw.com/>.

North American Farmers Direct Marketing Association (NAFDMA).

62 White Loaf Rd, Southampton, MA 01073; (888) 884-9270; email: nafdma@map.com; web: <http://www.nafdma.com/>. Offers liability policy specifically for direct market farmers.



Crop Insurance

Agriculture Conservation Innovation Center (ACIC)
2234 S. Hobson Ave, Charleston, SC 29405; (843) 740-1325; web: <http://www.agconserv.com/>. Promotes conservation innovation in agriculture through crop insurance.

American Farm Bureau Insurance Services, Inc. (AFBIS)

AFBIS, Inc. offers a wide range of crop insurance services to meet the needs of individual state Farm Bureaus.

Insurance products include crop hail insurance, multiple peril crop insurance, group risk plan, income protection, crop revenue coverage, revenue assurance and all future products offered by Federal Crop Insurance Corporation.

Washington State Farm Bureau

1011 10th Ave SE, PO Box 2009, Olympia, WA, 98507; (360) 357-9975, (800) 331-3276; email: info@wsfb.com; web: <http://www.wsfb.com>

King-Pierce County Farm Bureau

email: info@kingpiercecofarmbureau.com;
web: <http://www.kingpiercecofarmbureau.com/>

IGF Insurance

1700 Bullard Avenue, Suite 101, Fresno, CA 93710, (800) 509-3624; email: lbritton@igfinsurance.com; web: <http://www.igfinsurance.com/>.

USDA/Risk Management Agency

Spokane Regional Office, Dave P Paul, Director
112 North University, #205, Spokane, WA 99206
(509)353-2147; (509)353-3149 Fax
warso@rma.usda.gov

Health Insurance

Grange Insurance Group

200 Cedar St, Seattle, WA 98121, (206) 448-4911, (800) 247-2643; email: Customer.Service@grange.com; web: <http://www.grange.com>.

King-Pierce County Farm Bureau

email: info@kingpiercecofarmbureau.com;
web: <http://www.kingpiercecofarmbureau.com/>

Mutual of Enumclaw Insurance Co.

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email: jwillis@MutualofEnumclaw.com;
web: <http://mutualofenumclaw.com/>.

State Department of Labor and Industries

Web: <http://www.wa.gov/lni/>.
616 120th Ave NE, Suite C201, Bellevue, WA 98005-3037; (425) 990-1400.

Risks associated with different forms of business

Sole proprietor - all of the individual's assets are at risk with the business.

Partnership - partners are personally liable for the gains and losses of the business.

Limited Partnership - the general partner has full liability while limited partners are liable only to the extent of the money or assets they invest in the business.

Corporation - as a separate entity a corporation bears most liability. Shareholders or owners have limited liability; they are only at risk for the amount of money they have invested in the business.

300 W Harrison St., Seattle, WA 98119-4081;
(206) 281-5400.

12806 Gateway Dr, Seattle, WA 98168-1050;
(206) 248-8240.

Washington State Farm Bureau

1011 10th Ave SE, PO Box 2009, Olympia, WA, 98507;
(360) 357-9975, (800) 331-3276; email: info@wsfb.com;
web: <http://www.wsfb.com/>.

Worker's Compensation

State Department of Labor and Industries

Web: <http://www.wa.gov/lni/>.

616 120th Ave NE, Suite C201, Bellevue, WA 98005-3037; (425) 990-1400.

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Publications

Understanding the Farmer's Comprehensive Personal Liability Policy: A Guide for Farmers, Attorneys and Insurance Agents by John Copeland. 1992. National Center for Agriculture Law Research and Information (501) 575-7640; NCALRI, University of Arkansas, Fayetteville, AR, 72701. Explains how the common farm liability policy is interpreted.



The Legal Guide for Direct Farm Marketing by Neil D. Hamilton. 1999. Drake University Agricultural Law Center, Des Moines, IA, 50311; (515) 271-2065. Includes 19 page chapter, Insurance and Liability: How to Protect Your Farm from the Risk of Being Sued.

"How much insurance is enough?" article in *Growing for Market* Newsletter Volume 8, No. 11, November 1999.

Risk Management Agency Publications (202) 690-2803; web: <http://www.act.fcic.usda.gov/>.

Building a Risk Management Plan: Risk Reducing Ideas That Work. August 1998. Stock No. MP-36. To order a paper copy, write to: FSA-KCMO Warehouse, 9420 Troost, Kansas City, MO 64131-3055, or fax your order to: (816) 363-1762. Includes tips on developing a risk management plan as well as quizzes to assess your risk management skills and financial strength.

Introduction to Risk Management. December 1997. Stock No. MP-35. To order a paper copy, write to: FSA-KCMO Warehouse, 9420 Troost, Kansas City, MO 64131-3055, or fax your order to: (816) 363-1762.

Internet Resources

SBA Online Library

Small Business Insurance & Risk Management Guide, web: <http://www.sba.gov/library/pubs.html#pubsworkbooks>.

National Ag Risk Education Library Publications (A project of the USDA and Risk Management Agency) Email: risk@cffm.agecon.umn.edu; web: <http://www.agrisk.umn.edu/>.

How Growers Can Reduce Liability Risks, Arizona Cooperative Extension Service, 1995. "Fruit and vegetable growers face some liability risk every time they make their produce available for public consumption. There are basic business practices they can use to help reduce the likelihood of liability suits being filed."

Examining Insurance Needs Is Essential to Marketing, Arizona Cooperative Extension Service, 1995. "Farmers' markets, roadside stands, U-Pick vegetable and fruit operations, and Christmas tree farms are on the upswing. Insurance is as necessary as quality products, good help and a good location in operating a direct marketing business."

Alternate formats available upon request. 206-205-3100 (TTY 711)

No endorsement is intended of any businesses listed in this fact sheet, nor is criticism of unnamed businesses implied.

Written by [Sylvia Kantor](#), WSU Cooperative Extension King County, 1999. Reviewed by Richard Carkner, WSU Puyallup, WWREC. Updated 2003.

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